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PROGRAMME PLANNING AND IMPLEMENTATION

Sectoral support programme: UNIDO Country Director programme

Report of the Administrator

SUMMARY

In its decision 11 of 6 November 1992, the Industrial Development Board of the United Nations Industrial Development Organization (UNIDO) "invited the Governing Council of UNDP at its February 1993 session, if possible, to consider the need for and possibility of increasing the annual allocation as of 1993 for the UNIDO Country Director (UCD) programme to permit at least the maintenance of the present number of UCD posts, and preferably to increase the number of UCD posts to reach the target established".

In response to this decision and in light of the financial expenditures reported for 1992 and the estimates for 1993, the Administrator proposes that the Governing Council consider increasing the yearly allocation for 1992 and 1993 within the limits of the total $19 million earmarked by the Council for funding the UCD programme under the Sectoral Support Programme in the fifth programming cycle. This would lead to a corresponding reduction of yearly allocations for the last three years of the cycle.

1. In its decision 90/34 of 23 June 1990, paragraph 15, the Governing Council allocated $30 million for sectoral support. The following year, based on the Administrator's report on his review of the Sectoral Support Programme, in its decision 91/34 of 25 June 1991, the Council allocated $3.8 million per annum of sectoral support funds towards the funding of the United Nations Industrial Development Organization (UNIDO) Country Director (UCD) Programme. This would represent a total of $19 million for the fifth cycle from the $30 million allocated for sectoral support.

2. Based on initial estimates, UNIDO had expected to finance 30 UCD posts from the Sectoral Support Programme in 1992. However, recent estimates based on actual expenditures during 1992 show that costs are expected to be substantially higher than originally estimated. UNIDO projects that for 1992 the cost of funding 26 UCD posts will come to $5.4 million, exceeding the annual UNDP funding from sectoral support by $1.6 million. By reducing the number of UCD posts funded by the Sectoral Support Programme from 26 to 20 in 1993, the total cost for these offices would amount to $4.8 million, exceeding the annual allocation by $1 million.

3. In view of the increased expenditures, compared with original cost estimates, the Industrial Development Board, in its decision 11 of 6 November 1992 (see annex), requested the Director-General of UNIDO to continue negotiations with UNDP on the most appropriate financing arrangements, bearing in mind the desirability of at least maintaining the number of UCD posts currently financed under the Sectoral Support Programme for the fifth programming cycle. Furthermore, the Industrial Development Board invited the Governing Council to consider at its February 1993 session, if possible, the need for and possibility of increasing the annual allocation as of 1993 for the UCD programme to permit at least the maintenance of the present number of UCD posts, and preferably to increase the number of UCD posts to reach the target established.

4. In discussions between UNDP and UNIDO, it was understood that as long as additional financial resources could not be identified for the fifth cycle, UNIDO would reduce to 13 or 14 the number of UCD posts funded by UNDP sectoral support for the last 3 years of the cycle, thereby ensuring that total expenditure for the cycle would remain within the earmarked $19 million. The figure of $19 million, is of course, subject to the reviews mandated by Governing Council decisions 90/34 of 23 June 1990 and 91/34 of 25 June 1991.

5. The Administrator therefore proposes that the Governing Council approve annual allocations of $5.4 million in 1992 and $4.8 million in 1993 within the total sectoral support of $19 million earmarked for UCD posts in the fifth programming cycle.

Annex

DECISION 11 ADOPTED ON 6 NOVEMBER 1992 AT THE EIGHTH PLENARY MEETING OF THE INDUSTRIAL DEVELOPMENT BOARD AT ITS TENTH SESSION, HELD IN VIENNA, 2-6 NOVEMBER 1992

(IDB.10/Dec.11): UNIDO COUNTRY DIRECTOR PROGRAMME

The Industrial Development Board:

(a) Recalled its decision IDB.8/Dec.14, which was endorsed by the General Conference at its fourth session, as well as General Conference resolution GC.4/Res.4 on the UNIDO Country Director (UCD) programme;

(b) Took note with deep concern of the information provided in the report of the Director-General on the financial situation of the UCD programme (IDB.10/34 and Corr.1), especially with respect to the likely reduction of 11 to 12 UCD posts under the present financial arrangements;

(c) Noted further the ongoing discussions on the restructuring of a unified United Nations field representation system;

(d) Considered that the increase of the number of UCD posts to reach the target set in Board decision IDB.8/Dec.14, or at least maintaining the present number of UCD posts, as a matter of urgency, needed financing from a combination of sources, inter alia, from United Nations Development Programme (UNDP) funds, voluntary contributions and UNIDO operational budget resources;

(e) Requested the Director-General to continue negotiations with UNDP on the most appropriate financing arrangements, bearing in mind the desirability of at least maintaining the present number of UCD posts for the fifth programming cycle;

(f) Invited the Governing Council of UNDP at its February 1993 session, if possible, to consider the need for and possibility of increasing the annual allocation as of 1993 for the UCD programme to permit at least the maintenance of the present number of UCD posts, and preferably to increase the number of UCD posts to reach the target established;

(g) Further requested the Director-General to continue his efforts to improve the quality of the staff recruited to serve in UCD posts;

(h) Reiterated its appeal to Member States to provide new, additional or further voluntary contributions to the UCD programme;

(i) Called upon Member States to provide resources to enable the Director-General to carry out the proposed study (PBC conclusion 92/13,

para. (b) (vii)) on the modalities of setting up a close working relationship among UCDs of the same subregion in order to strengthen the role of UCDs;

(j) Requested the Director-General to report, through the Programme and Budget Committee, to the Industrial Development Board at its eleventh session on the financing of UCD posts and the follow-up to the present decision.